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MAR 22 2002

Michael N. Milby, Clerk

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE ENRON CORPORATION)
SECURITIES LITIGATION,)
_____)

CIVIL ACTION NO. H-01-3624
Consolidated

THIS DOCUMENT RELATES TO:)
All Cases Consolidated with Newby)
_____)

**REPLY MEMORANDUM OF LAW IN SUPPORT OF MOTIONS
FOR CLARIFICATION (WITH EXPEDITION) OF THIS COURT'S
MEMORANDUM AND ORDER DATED FEBRUARY 15, 2002**

Henry H. Steiner, Daniel Kaminer, Christine Benoit, Michael and Jennifer Cerrone, and Harold Karnes (the "Preferred Purchaser Plaintiffs"), submit this reply memorandum in support of their motions for clarification of this Court's February 15, 2002 Memorandum and Order (the "Opinion").

Nowhere does Milberg Weiss' short response explain how it will avoid prejudice to the preferred purchaser plaintiffs and their subgroup, who were not Milberg's clients. It essentially is undisputed that Milberg had never focused on the facts concerning the preferred stock purchasers and their claims, and cannot reasonably be expected to have focused on claims which were never pursued by the Regents. Indeed, this Court's Opinion (at 25-29) details the extensive differences, which have been proffered by the preferred purchaser plaintiffs, between the common and preferred claims. Although its response states that Milberg has been retained by preferred stock purchasers (at 1), that is true, simply, in that Milberg has been appointed as lead counsel, at this time, for all "different interests." Op. at 29.

The Court noted in its Opinion that a threshold question is "should unrelated Lead Plaintiff(s) represent different interests while the class remains whole?" Op. at 29. Answering this question in the affirmative, as did this Court, is not undermined if Milberg Weiss must show its draft consolidated complaint to the preferred purchaser plaintiffs. Further, the Regent's response to this motion quotes the Court's opinion that requiring separate lead plaintiffs would "obstruct any efficient and controlled progress" in the litigation. Op. at 62. The Regents, apparently, implicitly

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concedes (at 1-2) that the Court made this comment with respect to a different context. Nevertheless, it is worth emphasizing that this comment by the Court concerned its rejection of Pulsifer & Associates' analysis which would have required dozens or hundreds of (sub)classes. Op. at 61-62. As this Court well knows, the preferred purchaser plaintiffs consistently have stated that there should be very few, and not dozens or hundreds of, classes or subclasses.

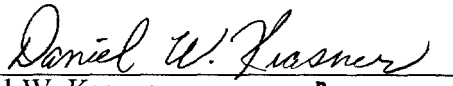
The Preferred Purchaser Plaintiffs request that their counsel be permitted to review the draft consolidated complaint and comment upon it to Milberg Weiss sufficiently prior to the April 1, 2002 deadline for filing the consolidated complaint so that any comments to Milberg will be meaningful.

CONCLUSION

For the foregoing reasons, plaintiffs respectfully submit that their motions for expedited relief be granted.

Dated: March 22, 2002

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ADDITIONAL COMMENTS:

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